

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE VERIFIED APPLICATION OF THE)	
BRANDENBURG TELEPHONE COMPANY, INC.)	
FOR A CERTIFICATE OF PUBLIC)	CASE NO. 93-357
CONVENIENCE AND NECESSITY TO CONSTRUCT)	
A NEW HEADQUARTERS FACILITY IN)	
BRANDENBURG, KENTUCKY)	

O R D E R

IT IS ORDERED that Brandenburg Telephone Company, Inc. ("Brandenburg Telephone") shall file the original and ten copies of the following information with the Commission. The information requested shall be placed in a bound volume with each item tabbed.

The information requested herein is due no later than 30 days from the date of this Order. If the information cannot be provided by this date, Brandenburg Telephone shall submit a motion for an extension of time stating the reason a delay is necessary and include a date by which the information can be furnished. Such motion will be considered by the Commission.

1. Did Brandenburg Telephone advertise for bids on the construction of the proposed headquarters building, warehouse, covered parking, landscaping, paving, and earthmoving? If so, provide the contract specifications. If not, explain.

2. Has the main contractor subcontracted any of the projects? If so, provide copies of the bids. If not, explain.

3. Provide the architectural and engineering plans for the proposed headquarters building, warehouse and site work.

4. Provide a detailed breakdown of the total estimated cost of the headquarters building, warehouse, and covered parking structure.

5. Provide detailed costs for the electrical, plumbing and HVAC systems for the headquarters building and warehouse.

6. Provide the landscaping and grading plans.

7. The pavement choice appears to be concrete. Was blacktop considered as an alternative? Provide a cost comparison.

8. Explain why the architectural/engineering fee should be applied to items such as the purchase price of an emergency generator, site sign, poles, towers and equipment. Are the poles currently available from stock? If not, why? Discuss the types of towers and equipment included with poles in the \$15,000 cost.

9. Does Brandenburg Telephone's labor contract require the provision of showers, lockers, and a lounge in the warehouse?

10. Is the covered parking exclusively for company vehicles? Explain.

11. What are Brandenburg Telephone's plans regarding the disposition of the current office building and land?

12. Provide justification for the 10,500 square foot warehouse. What will be stored in the warehouse and where are these materials currently stored?

13. The architectural/engineering fee submitted was estimated to be 10 percent. Does the architect have a sliding fee schedule based upon the cost of construction? If not, explain.

14. Harold Telephone Company has recently filed for a Certificate to construct a 15,000 square foot headquarters building.¹ Its filing estimates building costs of \$70-\$80 per square foot, with architect/engineering fees of 6.5 percent. Brandenburg Telephone seeks approval to erect a structure similar in size, but estimates building costs to be \$250 per square foot with architectural/engineering fees of 10 percent. Provide a response from a qualified architect/engineer which explains the reasons for such a wide discrepancy.

15. Brandenburg Telephone purchased over 39 acres of land for a building site. The following calculation appears to show that this may have been over 30 acres too much. What will the excess land be used for? Provide comments on the calculation and assumptions below.

a.	TOTAL ACRES PURCHASED	39.328
b.	SQUARE FEET PER ACRE	<u>43,560</u>
c.	TOTAL SQUARE FEET PURCHASED (axb)	1,713,128

¹ Case 93-261, The Application of Harold Telephone Company, Inc. for a Certificate of Public Convenience and Necessity to borrow \$1,111,111.00 and construct a New Headquarters Building.

d. USAGE IN SQUARE FEET-

BUILDING	15,635	
PAV/WALKS/CURBS	125,250	
COVERED PARKING	6,000	
RESTRMS/SHOWERS	200	
WAREHOUSE	<u>10,500</u>	<u>157,585</u>

e. UNUSED SQUARE FOOTAGE 1,555,543

f. EXCESS ACRES (5/2) 35.71

g. LESS: ASSUMED GREEN SPACE AROUND

BUILDINGS, ETC. (ACRES) 5.71

h. EXCESS ACRES 30

i. PURCHASE PRICE PER ACRE \$6,000

j. EXCESS LAND COST (hxi) \$180,000

16. Pursuant to 807 KAR 5:001, Section 9(2)(e), describe in detail the manner in which you propose to finance or otherwise pay for the construction.

17. Provide a copy of the executed contract between Brandenburg and the architect, or firm, which will oversee the construction.

Done at Frankfort, Kentucky, this 15th day of November, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director